GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:760
ANSWERED ON:22.11.2002
EXTERNAL DEBT
AVSM, BRIG.(RETD.) KAMAKHYA PRASAD SINGH DEO

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) the external debt position of the nation as on March 31, 2002;

(b) whether any efforts have been made by the Government to reduce the external debt; and

(c) if so, the achievement made in this regard during the last three years?

Answer

Minister of State in the Ministry of Finance & Company Affairs(Shri Anandrao V. Adsul)

(a) India`s external debt stood at US$ 98.1 billion at end-March, 2002.

(b) The Government follows a prudent external debt management policy to keep the debt within manageable limits. The key elements of this policy are external borrowings from multilateral/bilateral sources concentrating on concessional and less expensive debt, limiting short term debt, prepayment of more expensive debt, encouraging non-debt creating flows on capital account and exports/invisibles on current account.

(c) Major debt indicators have shown significant improvement during last three years as indicated below:

Key External Debt Indicators

	1999-00	2000-01	2001-02
External Debt (US$ billion) as at end-March	98.26	99.70	98.14
External Debt to GDP ratio (%)	22.2	22.3	20.8
Short term to total Debt ratio (%)	4.0	3.5	2.8
Debt Service Ratio (%)	16.2	17.3	14.1
Debt to Current Receipts ratio (%)	145.6	126.2	122.5
Interest payments to Current Receipts ratio(%)	7.3	6.6	5.